

Technology Advisory Committee

Meeting Minutes

June 14, 2007

The Technology Advisory Committee met on June 14, 2007 in City Hall, Council Chambers.

I. Call to Order

The meeting was called to order at 10:00 a.m.

II. Roll Call

☒ Chris Price – Chair

☒ Mark Farr

☒ Oakel Hardy

☐ Mike Jamerson

☒ Mark McHolland

☒ Georgia Miller

☒ Steve Baker

☒ Jim Hartsook

Invited Guests:

Brent Engle – InfoComm

Barkley Gehring – Gehring Underground

Other Attendees:

Stan Gamso, Counsel

Tom Heller – Member of the Public

III. Open Issues

a) Barkley – Gehring's work is 99% completed on the conduit installation.

b) Fiber RFP Recommendation –

Brent prepared a matrix to assist the Committee in evaluating the amendments to the RFP. (Copy is attached to these minutes). Brent also reported that the amended responses to the RFP were significant improvements over the original responses.

He then reviewed the five responses:

AT&T:

In their opening statement, AT&T noted that they were not in a position to respond to those matters set forth in the request. They also did not provide State Form

96. They had no compensation provision and no maintenance provision. AT&T was not responsive and thus did not comply with the information requested in the RFP.

DynamicCity:

Representatives of DynamicCity reported to Brent that they had spoken with local customers. Their proposal calls for either City ownership or ownership of the fiber optics by some one else or a joint venture. Brent is of the opinion that there is a \$363,000 management, set up, and implementation fee that would be paid to DynamicCity once the system is up and running. The City of Columbus would receive revenues from the lease of the system. The proposal also sets forth that the City of Columbus is obligated to pay \$2.7 million for a phase 1 construction project.

In addition, DynamicCity offered an alternate proposal whereby the City would hire them to conduct a revenue analysis and a business plan for deploying a completely municipally owned fiber-optic network.

Indiana Fiber Works:

IFW offers wholesale transport and fiber access services and would have open access for data speeds of a hundred megabytes or less. Their revenue-sharing model set forth a percentage of the customer revenue. The question of whether of the City or IFW would bear the cost of installation of the fiber was not clear.

IQuest:

Their proposal appeared to be an update of the original response to the RFP. Their proposal sets out that the City will be the owner of the fiber. IQuest would only be providing business services. Their business model and pricing structures appeared to be unclear. They would, however, be offering both dark and lit fiber services.

For some reason, all Committee members did not receive IQuest's pricing exhibits. Brent noted that he would e-mail the committee members the appropriate exhibits.

IQuest's revenue-sharing process and methodology was not clear. It was also noted that they failed to comply with State Form 96.

Smithville:

Smithville submitted customer pricing with their proposal. There would be a \$1,500 nonrecurring cost to the client. There would be a different pricing structure for businesses and the City and/or governmental services. There would be a capital cost in the amount of \$500,000. The response was not specific as to whether they would offer dark fiber. Their compensation model set forth \$3.00 per foot. Their maintenance plan

was not clear.

Committee Discussion:

There was general discussion among the Committee members and Brent regarding all proposals.

The Smithville proposal did not reference Indiana University despite the fact that Smithville is in the general area and is most likely a service provider to other business entities within the Bloomington, Indiana area. The Smithville proposal also did not reference open access, and the question was whether this was an oversight or whether it is something they don't offer in their package.

The IFW offer had no build-out costs associated with it. The question then became whether the City of Columbus would bear any cost with respect to the installation of the fiber. IFW also noted that the cost for various services would be negotiated with the respective businesses with whom IFW would be providing services.

It was the consensus that the philosophical goals of the RFP seem to have been more clearly achieved by IFW.

It was also noted that the Smithville proposal lacked any mention of maintenance.

The Committee concluded that AT&T and IQuest should be eliminated from the consideration process because of their failure to provide State Form 96 which was a requirement of the RFP. Also, DynamicCity should be ruled out as the costs are significantly greater than the City of Columbus is prepared to consider at this point.

With respect to further consideration of Smithville or IFW, the questions and concerns expressed by the Committee needed to be answered.

The Committee then gave serious consideration to the actual product and/or service that are being sought. It is the general consensus of the TAC that the City of Columbus is really looking for professional services as opposed to the acquisition of hardware and physical plant items. Counsel was directed to schedule a meeting of TAC chair, Chris Price, and Oakel Hardy with the City Attorney to discuss professional service contracts in the context of this RFP.

Brent was directed to prepare a very thorough matrix that sets forth compliance and noncompliance issues by all responders so that the TAC may give appropriate consideration to selecting the best possible candidate in the event there is a determination by the City Attorney that this service and/or process that the RFP addresses is not a professional service contract.

The Chairman directed that a Special Meeting be held on Thursday, June 21 at 11:30 a.m. scheduled until 1 p.m. for the purpose of reviewing the results of the meeting

with the City Attorney and to review Brent Engle's revised matrix of compliance by the responders.

Brent stepped out of the room to contact representatives of Smithville and IFW to attempt to clarify the matters raised by the Committee. Smithville reported that their proposal should have included dark fiber as it is their intention to provide it. Also, they will be providing maintenance to the system at no cost to the City.

IV. Approval of Minutes from Prior Meeting

After a review of meeting minutes, a discussion was had regarding an amendment to the May 7, 2007 Special Meeting. There were no changes to the April 4, May 10, May 17 and May 22nd Minutes.

Mark Farr moved to approve all of the minutes with direction to counsel to modify the May 7, 2007 Special Meeting minutes per discussion. Second by Steve Baker. Motion carried by unanimous vote.

V. New Business

Three invoices were submitted by counsel for the months of March, April and May 2007. After consideration and review of the invoices by the Committee, Mark Farr moved and Georgia Miller seconded the motion to recommend to the City that the invoices be approved for payment.

There was no other new business.

VI. Adjournment

Upon motion to adjourn by Oakel Hardy with a second by Mark Farr, the meeting was adjourned by unanimous voice vote at 11:45 a.m.

Submitted by:

Stanley A. Gamso

PROPOSAL	FORM 96	SOLUTION	COMPENSATION	MAINTENANCE
AT&T	No	<ul style="list-style-type: none"> Proposed individual solutions for IVY TECH and COLUMBUS REGIONAL HOSPITAL. Neither of the proposed solutions utilized the CITY's conduit system. 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> No
DynamicCity	Yes	<ul style="list-style-type: none"> Fiber in conduit solution to service the immediate needs of customers identified at 5/22 TAC meeting Propose \$2.7 mil "Phase 1" system (financed over 5 years) to meet the needs of the TAC identified customers. This system will leverage both existing CITY conduit as well as new conduit construction. System could be owned by the CITY or other entity. One-time operations implementation fee of \$14,500 + expenses Monthly asset management fee of \$8,280 Project Management fee for network build of \$250,000 <u>Alternative proposal</u> – path for full network buildout starting with cost and revenue analysis and the creation of a business plan for deploying a completely, municipally-owned fiber optic network. 	<ul style="list-style-type: none"> City revenue comes from wholesale lease rates on network services. 	<ul style="list-style-type: none"> Included in ongoing DynamicCity Network Operations agreement
Indiana Fiber Works (IFW)	Yes	<ul style="list-style-type: none"> Will populate CITY conduit with innerducts and fiber Would offer wholesale transport and fiber access services to service provider and enterprise level customers – customers with bandwidth needs less than 100 Mb/s would be addressed by the service providers 	<ul style="list-style-type: none"> Yes - revenue sharing once pre-established costs of infrastructure build out are covered - % based on market data 	<ul style="list-style-type: none"> Would manage the conduit system on behalf of the CITY – costs covered by revenue generated by customers

PROPOSAL	FORM 96	SOLUTION	COMPENSATION	MAINTENANCE
		<ul style="list-style-type: none"> 3 of the 4 competing vendors in this project are IFW customers Can meet the immediate demands of TAC opportunities Would offer dark and lit fiber services (including IRU and lease options) 		
IQuest Internet	No	<ul style="list-style-type: none"> 144 fiber in innerduct network that would be owned by the City upon its completion Proposing business services only – residential service at a later date Willing to combine conduit/fiber project with the wireless project OR can do each a la carte Sample agreements referenced were not included in the electronic response Jack emailed that there was a typo – Education, Not-for-profits, Government will receive a *20%* discount – not 10% Would offer dark and lit fiber services 	<ul style="list-style-type: none"> No compensation until operating costs and infrastructure debt covered Proposal also recommends revenue sharing as part of a marketing agreement with a third-party financier 	<ul style="list-style-type: none"> Would provide maintenance of the conduit asset at no cost to the CITY Cost + 15% would be maintenance rate to the customer
Smithville Telecom	Yes	<ul style="list-style-type: none"> Gigabit fiber optic connectivity to CITY HALL, COLUMBUS UTILITIES, IVY TECH, COLUMBUS REGIONAL HOSPITAL, AND TLS Monthly rate for service between \$980 and \$1,600. Non-recurring installation fee of \$1,500. Projects can be completed in 90 days Estimate revenue at \$4,900-\$8,000 per month for immediate client connections Estimate revenue at \$5,000-\$12,000 for future, less-immediate, client connections Estimate total revenue from provided client list between \$594,000 and \$1.2 mil Estimate total investment on the part of 	<ul style="list-style-type: none"> Yes – propose leasing conduit infrastructure at \$3.00/ft for a 5 yr IRU with options to renew – estimated lease value of \$114,000 	<ul style="list-style-type: none"> Unknown

PROPOSAL	FORM 96	SOLUTION	COMPENSATION	MAINTENANCE
		Smithville to be in excess of \$500,000 • Would offer lit services only???		